

June 7, 2007

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

Re: E-Rate Appeal

Dear Ms. Dortch:

Enclosed is an Appeal filed on behalf of the Grand Rapids Public Schools, appealing the Administrator's Decision on Appeal dated April 10, 2007.

Also enclosed is a Letter of Agency providing authorization for our firm to represent Grand Rapids Public Schools in this appeal.

If you have any questions, please contact me at 906.265.4410.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Ronald M. Basso".

Ronald M. Basso

Enclosures

No. of Copies rec'd 0
List ABCDE



330 Franklin St. • PO Box 117 • Grand Rapids, MI 49501-0117
tel 616 584 2000 • fax 616 584 4937

May 31, 2007

Ronald M. Basso
Basso & Basso
PO Box 63
Iron River, MI 49935

Re: E-rate funding request appeal

Dear Mr. Basso:

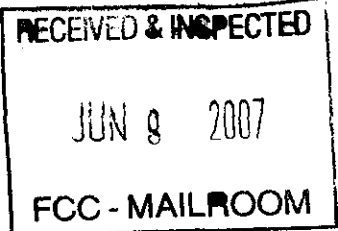
The Grand Rapids Public Schools authorizes your firm to file an Appeal on our behalf with the Federal Communications Commission.

The appeal relates to funding year 2006 Form 471 Application number 524297 and Funding Request Number 1463942.

Thank you.

Sincerely,

Rex James Thelen
Executive Director of Management Information Systems



FEDERAL COMMUNICATIONS COMMISSION

In Re: Grand Rapids Public Schools
Form 471 Application Number: 524297 **CC Docket No. 02-6**
Funding Year: 2006-2007
Funding Request: 1463942
Billed Entity Number (BEN): 131572

APPEAL

NOW COMES Grand Rapids Public Schools (Appellant) and files this appeal of a Schools and Libraries Division (SLD) Administrator's Decision on Appeal dated April 10, 2007. Exhibit A

The relevant part of Exhibit A at page 1 reads as follows: "Upon thorough review of the appeal letter and the relevant documentation, USAC has determined that the explanation given of the time lapse between the posting date of the establishing Form 470 and the CAD failed to assure USAC that Grand Rapids Public Schools conducted a fair and competitive bidding process and chose the most cost effective offering with price being the primary factor."

The appeal to the Administrator was in response to a Funding Commitment Decision Letter (FCDL) dated February 6, 2007, which denied funding for funding year 2006, Form 471 #524297, Funding Request Number (FRN) 1463942. Exhibit B

Appellant requests that the Administrator's decision of the Schools and Libraries Division be set aside and that the funding commitment request of \$412,118.78, as requested in Appellant's Form 471, be approved for Funding.

STATEMENT OF FACTS

Appellant's 2006 Form 471 # 524297 contained FRN 1463942, the request at issue in this appeal. Exhibit C

Appellant received Program Integrity Assurance (PIA) requests by email dated December 13, 2006, and December 20, 2006, pertaining to several FRN's including the request at issue here.

The PIA request dated December 13, 2006, asked the following question regarding FRN 1463942: "Is the Form 470 #115800000574608 on your Form 471 #524297 the establishing Form 470 for services to the entity on this Form 471?"

Appellant responded in the negative and provided what he believed to be the correct establishing Form 470. However, Appellant incorrectly referenced Form 470 #487250000393390 as the originating Form 470 for this request.

The PIA request dated December 20, 2006, asked the following question regarding the FRN at issue: "The Contract Award Date ("CAD") of 7/10/03 for FRN 1463942 is more than eighteen months after the Allowable Contract Date ("ACD") of 1/3/02 for the referenced Form 470 #487250000393390. Please provide a rationale summarizing the reason for this time lag."

Since Appellant had provided the incorrect Form 470 information, the CAD of July 13, 2003, was incorrect. The CAD was actually January 15, 2002, as will be demonstrated below.

Appellant provided a response by email on January 16, 2007. However, Appellant's response did not specifically answer the question posed by the December 20, 2006 request.

Because of this confusion, admittedly caused by Appellant's unintentional mistakes, a funding commitment decision letter dated February 6, 2007, was issued denying funding for the FRN at issue.

Appellant attempted to rectify the situation in its Letter of Appeal to the SLD dated February 26, 2007. Exhibit D

In the Letter of Appeal, Appellant referenced the correct establishing Form 470 which is #930410000393393 explaining that both Form 470's had been used for the same funding year and that he had mistakenly furnished the incorrect one in response to the earlier PIA request.

Further, Appellant also corrected the CAD to read 1/15/2002 and attempted to explain delays in the process.

As background to this appeal, Appellant posted its funding year 2002 Form 470, #930410000393393, on December 6, 2001. Exhibit E

This is the establishing Form 470 for the FRN at issue here.

Appellant was seeking telecommunications services and indicated the type of service requested, i.e. ATM Network, 65 lines. Appellant was interested in Wide Area Network Services.

Based on 28 days posting, the allowable contract date was January 3, 2002. Appellant received only 1 bid – that being from AT&T Broadband Network Solutions. The bid was received on January 10, 2002, and provided for a new contract for a period of 60 months. Exhibit F

On January 15, 2002, Mr. Rex Thelen, Executive Director of Management Information Systems for Appellant, accepted the bid from AT&T with the understanding that the acceptance was conditional pending e-rate funding as well as Grand Rapids Public Schools Board of Education approval. Exhibit G

Appellant then filed its funding year 2002 Form 471 #296009, on January 16, 2002, which included FRN 822578, the funding request to provide telecommunications service pursuant to the AT&T bid with the service provider being Comcast Business Communications, Inc., formerly AT&T. The service start date was anticipated to be July 1, 2002, with a contract expiration date of June 30, 2007. Exhibit H

An FCDL was received by Appellant dated July 1, 2002, which approved FRN 822578 as requested by Appellant. Exhibit I

Thus, funding had been secured and condition number 1 of the acceptance of the bid had been met. On July 15, 2002, the Grand Rapids Public Schools Board of Education approved the Wide Area Network proposal submitted by AT&T (Exhibit J) thereby satisfying condition number 2 of the bid acceptance.

A Service Agreement dated March 25, 2003, provided for a 60 month term with a service start date of June 23, 2003.

Unfortunately, Appellant ran into problems concerning long term viability of equipment. With the exit of 3Com from the market, Appellant had to conduct a lengthy investigation into the long term viability of the network equipment proposed by Cisco.

After several months, it was determined that the equipment was appropriate and a formal contract was signed in the summer of 2003, as referenced above. The Appellant's telecommunications services have been funded based upon the above mentioned multi-year contract since that time.

ARGUMENT

The issue in this appeal has been created by unintentional mistakes and errors on the part of Appellant. There has never been any intentional misrepresentation of any material facts.

Appellant provided inaccurate information in the Form 471 and also provided inaccurate information to the PIA for which Appellant apologizes.

As pointed out in the Statement of Facts, Appellant posted its funding year 2002 Form 470 on December 6, 2001. Appellant received only 1 bid as a result of the posting. Appellant had no control over who would bid on the services enumerated in Form 470. Appellant followed proper protocol in posting and in receipt of the bid as the bid was received after the ACD of January 3, 2002.

The bid was conditionally accepted by Appellant on January 15, 2002, as pointed out in the Statement of Facts. This date is the CAD.

Appellant conducted a fair and competitive process in selecting its contractor.

Appellant filed its funding year 2002 Form 471 on January 16, 2002. An anticipated start date of July 1, 2002, was indicated for the telecommunication services to be provided by the bidder, i.e. AT&T- later to become Comcast.

Appellant conditioned its acceptance of the bid on receipt of its e-rate funding and approval by the Board of Education. Appellant received an FDCL (e-rate funding) dated July 1, 2002, and approval for spending from the Board of Education on July 15, 2002.

The time lag between approval by the Board of Education and the actual implementation date of June 23, 2003, of the contract occurred because of the departure of 3Com from the marketplace. Appellant conducted a thorough investigation of available equipment and its long term viability to meet its needs and determined that Cisco Gigabit Ethernet equipment would best serve the needs for this network upgrade.

Appellant acted in good faith and did not attempt to defraud the E-rate system.

It is clear that Appellant did not attempt to undermine the E-rate program but rather attempted to assure that the services they were to receive would match the equipment to deliver these services.

Further, the fact that only one bidder responded to the posting of the Form 470, should not negate the fact that Appellant followed proper protocol in posting its Form 470.

Appellant has been operating under this same contract since its approval and to now deny funding would cause grave hardship on Appellant and would not be in the spirit of the E-rate program.

Appellant's unintentional mistakes and errors created some of the confusion, but Appellant should not be punished as it has now provided the correct and complete information formerly requested by the PIA.

As this honorable body has stated in the Glendale United School District decision:

In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis....We find that although Glendale committed an unintentional, clerical error when it listed the incorrect service start date on its FCC Form 486, it adhered to the core program requirements. As we recently noted, the E-rate program is fraught with complexity from the perspective of beneficiaries, resulting in a significant number of applications for E-rate support being denied for ministerial or clerical errors. We find that the action we take here promotes the statutory requirements of section 254(h) of the Communications Act of 1934, as amended (the "Act"), by helping to ensure that Glendale obtains access to discounted telecommunications and information services. *In the Matter of Glendale United School District, DA 06-244, February 1, 2006.*

As to the time lapse between the posting date and the CAD, Appellant provided inaccurate information on its Form 471 for the FRN at issue. As stated above, the posting date for Form 470 #930410000393393 occurred on December 6, 2001, the allowable contract date was January 3, 2002, and the CAD occurred on January 15, 2002, as explained above. The time lapse which was questioned by the PIA was based upon the inaccurate information supplied by Appellant.

Although the actual services and signed contract occurred at a later time, the fact remains that the bidder selected by Appellant on January 15, 2002, was the bidder who signed the contract. The Appellant required that both e-rate funding and Board of Education approval occur before a legally binding agreement could be signed. Applicant would not have been able to file its Form 471 had it waited until receipt of funding since that occurred on July 1, 2002.

As this honorable body opined in the Adams County School District 14 decision:

Others had to have their commitments with service providers approved by their governing boards or their agreements with service providers were contingent upon getting USAC's approval of funding before they could legally enter into the contract. As a result, these Petitioners were unable to sign a legally binding agreement prior to filing their FCC Form 471 as required by section 54.504(c) of our rules. In all of these cases, there is no evidence in the record that Petitioners engaged in activity to defraud or abuse the E-rate program. Finally, we find that, for these applicants, denying their requests for funding would create undue hardship and prevent these otherwise eligible schools and libraries from receiving E-rate funding. *In Re Request for Waiver of the Decision of the Universal Service Administrator by Adams County School District 14, FCC 07-35, adopted March 22, 2007.*

Appellant has been receiving the contracted services continuously. These services are a critical part of Appellant's technology plan and provide for more effective implementation of the plan. To deny discounted E-rate funding for internet services would pose a real hardship to a district already befallen by budget problems.

Granting this appeal is in the public interest and in the spirit of the E-rate program which provides opportunities for students to receive the technology to compete in the 21st Century.

Therefore, Appellant respectfully requests that full funding under the E-rate program be restored to the Grand Rapids Public Schools.

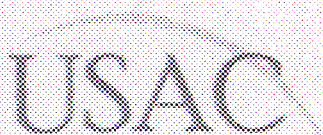
Respectfully submitted,

Grand Rapids Public Schools

Dated: June 7, 2007

Ronald M. Basso
By: Ronald M. Basso (P24805)
Basso & Basso Legal Services LLC
PO Box 63
Iron River MI 49935

Telephone: 906.265.4410
Email: ron@bassoandbasso.us



Universal Service Administrative Company
Schools & Libraries Division

EXHIBIT
A
FCC

Administrator's Decision on Appeal -- Funding Year 2006-2007

April 10, 2007

Rex James Thelen
Grand Rapids Public Schools
1331 Franklin Street SE
Grand Rapids, MI 49506

Re: Applicant Name: GRAND RAPIDS PUBLIC SCHOOLS
Billed Entity Number: 131572
Form 471 Application Number: 524297
Funding Request Number(s): 1463942
Your Correspondence Dated: February 26, 2007

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2006 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1463942
Decision on Appeal: **Denied**
Explanation:

- Upon thorough review of the appeal letter and the relevant documentation, USAC has determined that the explanation given of the time lapse between the posting date of the establishing Form 470 and the Contract Award Date (CAD) failed to assure USAC that Grand Rapids Public Schools conducted a fair and competitive bidding process and chose the most cost-effective offering with price being the primary factor. During Program Integrity Assurance (PIA) review, PIA determined that the originally requested CAD on the Form 471 for this funding request was January 31, 2003, which was prior to the Allowable Contract Date (ACD) of February 7, 2006 of the originally cited Form 470 application number 11580000574608. To resolve this competitive bidding violation, PIA requested verification of the CAD and the establishing Form 470 number. The school subsequently advised that the establishing Form 470 for this funding request was

Form 470 application number 487250000393390, with an ACD of January 3, 2002, and submitted a copy of contract with signature dates of June 23, 2003 (school) and July 10, 2003 (service provider). PLA sent the school questions asking for an explanation of why the contract was signed more than 18-months after the ACD. Your explanation of the time lapse between the posting date of the referenced Form 470 and the contract award date (CAD) failed to assure SLD that you conducted a fair and competitive bidding process and chose the most cost-effective offering with price being the primary factor. Consequently, the appeal is denied.

- The funding request you submitted cites July 10, 2003 as the date you entered into a contract with the service provider. The Allowable Contract Date associated with the establishing Form 470 application number 487250000393390 on this funding request was January 3, 2002. Due to the time lapse between the allowable contract date and the contract award date, and that the type of services you requested must be competitively bid in each funding year, you failed to comply with the FCC's competitive bidding requirements. Consequently, USAC denies your appeal.
- Your explanation of the time lapse between the allowable contract date of the referenced FCC Form 470 and the contract award date failed to assure USAC that you conducted a fair and competitive bidding process and chose the most cost-effective offering with price being the primary factor. FCC Rules require that, except under limited circumstances, applicants must file with USAC, for posting to its website, a new FCC Form 470 requesting services and that applicants carefully consider all bids received before selecting a vendor, entering into an agreement or signing a contract, and signing and submitting a Form 471. 47 C.F.R. secs. 54.504(a) - (c), 54.511(a) and (c). These competitive bidding requirements help ensure that applicants receive the lowest pre-discount price from vendors. See Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Order on Reconsideration, 12 FCC Rod 10095, 10098, FCC 97-246 para. 9 (rel. Jul. 10, 1997). This posting requirement applies to requests for discounts for month-to-month or tariff services as well as contracted services. 47 C.F.R. sec. 54.504 (b). Pursuant to the Commission's rules, voluntary contract extensions are not exempt from the competitive bidding requirement. 47 C.F.R. sec. 54.511 (d)(1).

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

FUNDING COMMITMENT REPORT
Billed Entity Name: GRAND RAPIDS PUBLIC SCHOOLS
SEN: 131572
Funding Year: 2006

Form 471 Application Number: 524297
Funding Request Number: 1463811
Funding Status: Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 115800000574698
SPIN: 143088908
Service Provider Name: AllTel Communications
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2006
Contract Expiration Date: 06/30/2007
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$2,400.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$2,400.00
Discount Percentage Approved by the USAC: 84%
Funding Commitment Decision: \$2,016.00 - FRN approved as submitted

PCDL Date: 02/06/2007

Wave Number: 042

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2007

Funding Request Number: 1463942
Funding Status: Not Funded
Category of Service: Telecommunications Service
Form 470 Application Number: 487250000393390
SPIN: 143083990
Service Provider Name: Comcast Business Communications
Contract Number: N/A
Billing Account Number: N/A
Service Start Date: 07/01/2006
Contract Expiration Date: 06/30/2008
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$490,617.60
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$490,617.60
Discount Percentage Approved by the USAC: N/A
Funding Commitment Decision: \$0.00 - Contract Violation
Funding Commitment Decision Explanation: Your explanation of the time lapse between the posting date of the referenced 470 and the contract award date (CAD) failed to assure SLD that you conducted a fair and competitive process and chose the most cost-effective offering with price the primary factor.

PCDL Date: 02/06/2007

Wave Number: 042

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2007

FCC Form 471

Do not write in this area.

Approval by OMB
3060-0806

Schools and Libraries Universal Service
Description of Services Ordered and Certification Form 471

Estimated Average Burden Hours per Response: 4 hours

This form asks schools and libraries to list the eligible telecommunications-related services they have ordered and estimate the annual charges for them so that the Fund Administrator can set aside sufficient support to reimburse providers for services.

Please read instructions before beginning this application. (You can also file online at www.sl.universalservice.org.)

The instructions include information on the deadlines for filing this application.

Applicant's Form Identifier

(Create your own code to identify THIS Form 471) TAND11

Form 471 Application#

(To be assigned by administrator)

524297

Block 1: Billed Entity Information (The "Billed Entity" is the entity paying the bills for the service listed on this form.)

1 a Name of Billed Entity GRAND RAPIDS PUBLIC SCHOOLS

2 a Funding Year: July 1, 2006 Through June 30, 2007

Billed Entity Number 131572

4 a Street Address, P.O. Box, or Routing Number 1331 FRANKLIN ST SE

City GRAND RAPIDS

State MI

Zip Code 49506

b Telephone Number 616-819-2000

c Fax Number 616-819-2104

5 a Type of Application
☐ Individual School (individual public or non-public school)
☒ School District (LEA, public or non-public [e.g. diocesan] local district representing multiple schools)
☐ Library (including library system, library outlet/branch or library consortium as defined under LSTA)
☐ Consortium ☐ Check here if any members of this consortium are ineligible or non-governmental entities

6 Contact Person's Name Rex James Thelen

First, if the Contact Person's Street Address is the same as in item 4, check this box. If not, please complete the entries for the Street Address below.

b Street Address, P.O. Box, or Routing Number 1331 FRANKLIN ST SE

City GRAND RAPIDS

State MI

Zip Code 49506

☐ c Telephone Number 616-819-2485

☐ d Fax Number 616-819-3350

☒ e E-mail Address thelenr@grps.k12.mi.us

f Holiday/vacation/summer contact information

17. Allowable Contract Date: 02/07/2006	18. Contract Award Date: 02/15/2006
19a. Service Start Date: 07/01/2006	19b. Service End Date:
20. Contract Expiration Date: 06/30/2007	
21. Attachment #: Tand1-7	22. Block 4 Worksheet No.: 804392
23a. Monthly Charges: \$200.00	23b. Ineligible monthly amt.: \$00
23c. Eligible monthly amt.: \$200.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$2,400.00	
23f. Annual non-recurring (one-time) charges: \$00	23g. Ineligible non-recurring amt.: \$00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$2,400.00	
23j. % discount (from Block 4): 84	
23k. Funding Commitment Request (23i x 23j): \$2,016.00	

FRN: 1463942	FCDL Date:
10. Original FRN:	
11. Category of Service: Telecommunications Service	12. 470 Application Number: 115800000574608
13. SPIN: 143003990	14. Service Provider Name: Comcast Business Communications
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: N/A
15c. Covered under State Master Contract:	15d. FRN from Previous Year: 1293585
16a. Billing Account Number: N/A	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 02/07/2006	18. Contract Award Date: 01/31/2003
19a. Service Start Date: 07/01/2006	19b. Service End Date:
20. Contract Expiration Date: 06/30/2008	
21. Attachment #: Tand1-8	22. Block 4 Worksheet No.: 804392
23a. Monthly Charges: \$40,884.80	23b. Ineligible monthly amt.: \$00
23c. Eligible monthly amt.: \$40,884.80	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$490,617.60	
23f. Annual non-recurring (one-time) charges: \$00	23g. Ineligible non-recurring amt.: \$00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$490,617.60	
23j. % discount (from Block 4): 84	
23k. Funding Commitment Request (23i x 23j): \$412,118.78	

FRN: 1463991	FCDL Date:
10. Original FRN:	
11. Category of Service: Telecommunications Service	12. 470 Application Number: 115800000574608
13. SPIN: 143003990	14. Service Provider Name: Comcast Business Communications
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: N/A
15c. Covered under State Master Contract:	15d. FRN from Previous Year:
16a. Billing Account Number: N/A	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 02/07/2006	18. Contract Award Date: 02/15/2006
19a. Service Start Date: 07/01/2006	19b. Service End Date:
20. Contract Expiration Date: 06/30/2007	
21. Attachment #: Tand1-9	22. Block 4 Worksheet No.: 804392

EXHIBIT
D
4 Pgs

Rex James Thelen
1331 Franklin Street SE
Grand Rapids, MI 49506
(616) 819-2485 telephone
(616) 819-3350 fax
Rthelen@comp.x12.mn.us

February 26, 2007

Letter of Appeal
Schools and Libraries Division--Correspondence Unit
100 South Jefferson Road
P.O. Box 902
Whippany, New Jersey 07981

To Whom It May Concern:

This is a letter of appeal regarding denial of funding for the following:

Applicant (Appellant) Name--Grand Rapids Public Schools
Billed Entity Number--131572
Service Provider Name--Comcast Business Communications
Service Provider SPIN--143003690
Form 471 Application Number--524257
Funding Commitment Decision Letter for Funding Year 2006
FRN--1463942

Funding Commitment Decision Explanation: Your explanation of the time lapse between the posting date of the referenced 470 and the contract award date (CAD) failed to assure the SLD that you conducted a fair and competitive process and chose the most cost-effective offering with price the primary factor.

First, some corrections regarding this application.

1. The establishing Form 470 for this FRN is 930410000393393, not 487260000393390 as outlined in my Program Integrity Assurance response. Both of these Form 470s were used for the same funding year and I simply referenced the incorrect form (in error).
2. The Contract Award Date for this FRN is 1/15/2002, not 7/10/2003 as is stated on-line in the current application for this Form 471. The attached letter, labeled Exhibit B, illustrates this date.

An explanation of the timeline for this application is the simplest way to document the reason for my appeal.

1. The Grand Rapids Public Schools files form 470 #930410000393393 on 12/07/2001.
2. AT&T Broadband Network Solutions (now Comcast) responds to the posted form 470 with the attached quote, labeled exhibit A. They are the only bidder that responded to this Form 470.
3. The Grand Rapids Public Schools accepts AT&T Broadband Network Solutions bid for Wide Area Network service, labeled exhibit B.
4. The Grand Rapids Public Schools files form 471 # 299009 on 1/16/2002.
5. The Grand Rapids Public Schools receives the funding commitment letter authorizing funding for FRN 522578 shortly after the issue date of 7/1/2002.
6. The Grand Rapids Public Schools begins working with representatives from Comcast (who recently purchased AT&T Broadband) to plan the Wide Area Network upgrade in Fall 2002.
7. The Grand Rapids Public Schools Board of Education approves the Wide Area Network upgrade on 7/15/2002.
8. After a great deal of investigation into the long term viability of the network equipment proposed by Cisco (we dealt with hardship caused by 3Com's exit from this marketplace

February 26, 2007

Page 2

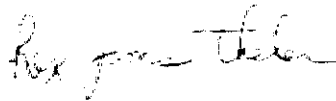
In the previous agreement, the Grand Rapids Public Schools signs a 5 year service agreement to upgrade the Wide Area Network on 6/23/2003.

9. The Grand Rapids Public Schools files form 471 # 524297 on 2/15/2006 and inadvertently put the incorrect establishing form 470 in the application.

As evidenced by the timeline above, the time gap between conditional acceptance of the Comcast proposal (contract award date) and the initiation of a E-Rate funded, Grand Rapids Public Schools Board of Education approved agreement does not mean that we failed to conduct a fair and competitive process and chose the most cost-effective offering with price the primary factor. Rather, the time gap is a reflection of how we plan large projects of this nature. With word of E-Rate approval not coming to us until early July, we did not have enough time to obtain Board of Education approval and implement the upgrade (including significant downtime) prior to the start of the school year. Our efforts focused on what would be required to implement the upgrade in the summer of 2003 to minimize downtime for our internal customers.

We are formally requesting that you reconsider your position and approve our appeal request for FRN 1463942.

Sincerely,



Rex James Theler
Executive Director of Management Information Systems



**Grand Rapids
Public Schools**

Management Information Systems

1331 Franklin SE • Grand Rapids • MI • 49506
616/771-2474 Fax: 616/771-3350

January 15, 2002

AT&T Broadband Network Solutions
517-703-0794

Attention: Ms. Kelly Locke
Kelly_Locke@cable.comcast.com

Dear Ms. Locke

Thank you for replying to the Grand Rapids Public Schools (GRPS) Telecommunications System Request For Proposal (RFP). After careful consideration, we have decided to conditionally accept your offer to provide telecommunications service to GRPS.

We look forward to the opportunity to continue to work with your company for our telecommunications needs. I will be in touch with you shortly to iron out the details related to the service changes we expect to implement beginning as early as July 1, 2002 (pending USF approval and GRPS Board of Education approval).

Sincerely,

Rex James Thelen, Executive Director
Management Information Systems
Grand Rapids Public Schools

From: "Locke, Kelly" <Locke.Kelly@broadband.att.com>
To: "Rex James Thelen" <ThelenR@grps.k12.mi.us>; "Craig Ghareeb" <ghareebc@grps.k12.mi.us>
Date: Fri, Jan 11, 2002 11:15 AM
Subject: updated network change proposa

Hi Rex and Craig,

Based on our conversation on Monday, you indicated that you would like to see a different pricing configuration, where the monthly recurring charges remain the same and with a shorter term. This is one pricing example:

Gigabit Ethernet service
60 month new agreement (includes buyout of Phase 1, 2, and 3 agreements)
\$19,000 down per site x 67 sites = \$1,273,000 total non-recurring charges
\$575 per month per site x 67 sites = \$38,525

Let me know if you would like to see any other configurations.

We will get back to you on Monday regarding the questions on dropping 10 sites and how configuration changes will be handled.

Please keep us posted on your progress--
Kelly Locke
Account Executive
AT&T Broadband Network Solutions
517-333-6016
locke.kelly@broadband.att.com

CC: "Shaver, John" <Shaver.John@broadband.att.com>

FCC Form

Approval by OMB
3000-0006

470

Schools and Libraries Universal Service Description of Services Requested and Certification Form

Estimated Average Burden Hours Per Response: 4.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application.

(To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

Form 470 Application Number: 930410000393393
Applicant's Form Identifier: Year5Form470-2
Application Status: CERTIFIED
Posting Date: 12/06/2001
Allowable Contract Date: 01/03/2002
Certification Received Date: 12/07/2001

1. Name of Applicant: GRAND RAPIDS PUBLIC SCHOOL		
2. Funding Year: 07/01/2002 - 06/30/2003		3. Your Entity Number 131572
4a. Applicant's Street Address, P.O.Box, or Route Number 1331 FRANKLIN ST SE		
City GRAND RAPIDS	State MI	Zip Code 49506
b. Telephone number (616) 771- 2000		c. Fax number (616) 771- 2104
d. E-mail Address usf@grps.k12.mi.us		
5. Type Of Applicant <input type="radio"/> Individual School (individual public or non-public school) <input checked="" type="radio"/> School District (LEA; public or non-public [e.g., diocesan] local district representing multiple schools) <input type="radio"/> Library (including library system, library branch, or library consortium applying as a library) <input type="radio"/> Consortium (intermediate service agencies, states, state networks, special consortia)		
6a. Contact Person's Name: Rex James Thelen		
First, fill in every item of the Contact Person's information below that is different from item 4, above. Then check the box next to the preferred mode of contact. (At least one box MUST be checked.)		
6b. Street Address, P.O.Box, or Route Number 1331 FRANKLIN ST SE		
City	State	Zip Code

GRAND RAPIDS	MI	49506
6c. Telephone Number (616) 771- 2485		
6d. Fax Number (616) 771- 3350		
6e. E-mail Address thelenr@grps.k12.mi.us		

Block 2: Summary Description of Needs or Services Requested

7 This Form 470 describes (check all that apply):

a. ☐ Tariffed services - telecommunications services, purchased at regulated prices, for which the applicant has no signed, written contract. A new Form 470 must be filed for tariffed services for each funding year.

b. ☐ Month-to-month services for which the applicant has no signed, written contract. A new Form 470 must be filed for these services for each funding year.

c. ☐ Services for which a new written contract is sought for the funding year in Item 2.

d. ☐ A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous program year.

NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous program year OR a contract signed on/before 7/10/97 and reported on a Form 470 in a previous year as an existing contract do NOT require filing of a Form 470.

What kinds of service are you seeking: Telecommunications Services, Internet Access, or Internal Connections? Refer to the Eligible Services List at www.sl.universalservice.org for examples. Check the relevant category or categories (8, 9, and/or 10 below), and answer the questions in each category you select.

8 ☐ Telecommunications Services

Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ☐ **YES, I have an RFP. It is available on the Web at or via (check one):**
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ☒ **NO, I do not have an RFP for these services.**

If you answered NO, you must list below the Telecommunications Services you seek. Specify each service or function (e.g., local voice service) and quantity and/or capacity (e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications Services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Add additional lines if needed.

Service or Function:	Quantity and/or Capacity:
ATM Network	(65) 155 Mb/s to 622 Mb/s lines

9 ☐ Internet Access

Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ☐ **YES, I have an RFP. It is available on the Web at or via (check one):**
☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ☒ **NO, I do not have an RFP for these services.**

If you answered NO, you must list below the Internet Access Services you seek. Specify each service or function (e.g., monthly Internet service) and quantity and/or capacity (e.g., for 500 users). See the Eligible

Exhibit
2 P13

Proposed Service Upgrade for Grand Rapids Public Schools

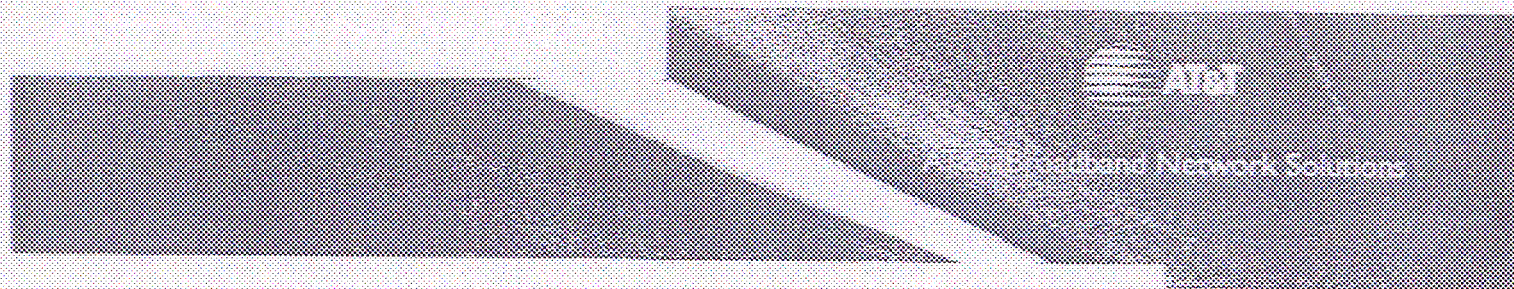
Gigabit Ethernet service at 67 sites

AT&T Broadband Network Solutions (AT&T BNS), is pleased to provide our Wide Area Network (WAN) telecommunication infrastructure recommendation for your review and consideration. Keeping growth and convergence of network services such as data, video and voice in mind, AT&T BNS is proposing a Gigabit Ethernet network upgrade solution.

In order to provide GRPS with this network upgrade, AT&T Broadband Network Solutions has developed the following tentative pricing option¹:

- New contract for sixty months (includes buyout of original agreements)
- Non-recurring, one-time charges for upgrade: \$1,407,000 total non-recurring
- Recurring monthly charges: \$38,525 per month

¹This proposal is proprietary and confidential and is valid until 7/30/02.



Proposed Service Change for Grand Rapids Public Schools
Removal of service from 6 school sites and re-termination of service at 6 school sites

Removal of service at the following sites:

Service Building
Creston High School
Union High School
Ottawa Hills High School
City Middle High or Central High School
Riverside Middle

Re-termination of service - add service to the following sites:

Adeante High
Eastern
Academia de Espanol
West Leonard
Roosevelt CDC
Southeast Academic Center

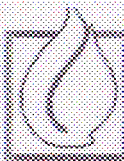
This proposed quotation is based on an estimate only at this time, based on the information received from GRPS on 1-10-02. AT&T Broadband Network Solutions will need additional time and confirmation of the sites to provide a complete and accurate proposal. In order to provide GRPS with this network change, AT&T Broadband Network Solutions has developed the following preliminary pricing option.*

- One time, non-recurring charge of \$280,000

*This proposal is proprietary and confidential and is valid until 2-28-02.



AT&T Broadband Network Solutions



Grand Rapids
Public Schools

Management Information Systems

1331 Franklin, SE • Grand Rapids • MI • 49506
(616) 771-2474 Fax (616) 771-3350

EXHIBIT
G

January 15, 2002

AT&T Broadband Network Solutions
517-703-0794

Attention: Ms. Kelly Locke
Kelly_Locke@cable.comcast.com

Dear Ms. Locke:

Thank you for replying to the Grand Rapids Public Schools (GRPS) Telecommunications System Request For Proposal (RFP). After careful consideration, we have decided to conditionally accept your offer to provide telecommunications service to GRPS.

We look forward to the opportunity to continue to work with your company for our telecommunications needs. I will be in touch with you shortly to iron out the details related to the service changes we expect to implement beginning as early as July 1, 2002 (pending USF approval and GRPS Board of Education approval).

Sincerely,

Rex James Thelen, Executive Director
Management Information Systems
Grand Rapids Public Schools

EXHIBIT
H
2 of 25

Schools and Libraries Universal Service Program

Services Ordered and Certification Form 471

Application Display

Block 1: Billed Entity Information

Applicant's Form Identifier:

Telcom_and_Internet_1

471 Application Number: 296009

Funding Year: 07/01/2002 -
06/30/2003Billed Entity Number:
131572

Cert. Postmark Date: 01/16/2002

Form Status: CERTIFIED - In
Window

RAL Date: 02/04/2002

Out of Window Letter Date: Not applicable

Name: GRAND RAPIDS PUBLIC SCHOOL
 Address: 1331 FRANKLIN ST SE
 City: GRAND RAPIDS State: MI Zip: 49506
 Phone: 616-771-2000 Ext:
 Fax: 616-771-2104
 E-mail: usf@grps.k12.mi.us

Contact Name: Rex James Thelen
 Address: 1331 FRANKLIN ST SE
 City: GRAND RAPIDS State: MI Zip: 49506
 Contact Phone: 616-771-2488 Ext:
 Contact Fax: 616-771-3350 Ext:
 E-mail: thelenr@grps.k12.mi.us
 Contact Mode: EMAIL
 Alternate Contact Info.:

Type of Application: SCHOOL DISTRICT

Ineligible Orgs: N

Block 3: Impact of Services Ordered in THIS Application

Number of students to be served: 26000

Number of library patrons to be served:

SERVICE DESCRIPTION	BEFORE ORDER	AFTER ORDER
a. (Schools/districts/consortia only) Telephone service: How many classrooms had phone service before and after your order?	250	2000
b. High-bandwidth voice/data/video service: How many buildings served before and after your order?	0	68
c. High-bandwidth voice/data/video service: Highest speed to a building before and after your order?	0	1000 Mb/s
f. Direct connections to the Internet: How many before and after your order?	1	1
g. Direct connections to the Internet: Highest speed before and after your order?	3.088 Mb/s	7.5 Mb/s

23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$10,530.00	
23f. Annual non-recurring (one-time) charges: 0	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$10,530.00	
23j. % discount (from Block 4): 40	
23k. Funding Commitment Request (23i x 23j): \$4,212.00	

FRN: 822578 FCDL Date:	
11. Category of Service: Telecommunications Service	12. 470 Application Number: 930410000393393
13. SPIN: 143003990	14. Service Provider Name: Comcast Business Communications, Inc.
15. Contract Number: N/A	16. Billing Account Number: N/A
17. Allowable Contract Date: 01/03/2002	18. Contract Award Date: 01/15/2002
19a. Service Start Date: 07/01/2002	19b. Service End Date:
20. Contract Expiration Date: 06/30/2007	
21. Attachment #: Tand1-10	22. Block 4 Worksheet No.: 352268
23a. Monthly Charges: \$.00	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$0.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$0.00	
23f. Annual non-recurring (one-time) charges: 1273000	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$1,273,000.00	
23i. Total program year pre-discount amount (23e + 23h): \$1,273,000.00	
23j. % discount (from Block 4): 79	
23k. Funding Commitment Request (23i x 23j): \$1,005,670.00	

FRN: 823833 FCDL Date:	
11. Category of Service: Telecommunications Service	12. 470 Application Number: 953050000035115
13. SPIN: 143003990	14. Service Provider Name: Comcast Business Communications, Inc.
15. Contract Number: N/A	16. Billing Account Number: N/A
17. Allowable Contract Date: 03/19/1998	18. Contract Award Date: 04/10/1998
19a. Service Start Date: 07/01/2002	19b. Service End Date:
20. Contract Expiration Date: 06/30/2004	
21. Attachment #: Tand1-11	22. Block 4 Worksheet No.: 381664
23a. Monthly Charges: \$4,025.00	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$4,025.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$48,300.00	
23f. Annual non-recurring (one-time) charges: 0	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$48,300.00	
23j. % discount (from Block 4): 70	
23k. Funding Commitment Request (23i x 23j): \$33,810.00	

EXHIBIT
I

FUNDING COMMITMENT REPORT

Funding Request Number: 296009
Funding Status: Funded
Services Ordered: Telecommunications Service
SPIN: 143001727
Contract Number: N/A
Billing Account Number: N/A
Service Provider Name: Ameritech-Michigan (aka Michigan)
Earliest Possible Effective Date of Discount: 07/01/2002
Contract Expiration Date: 06/30/2006
Annual Pre-discount Amount for Eligible Recurring Charges: \$10,530.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-Discount Amount: \$10,530.00
Discount Percentage Approved by the SLD: 40%
Funding Commitment Decision: \$4,212.00 - ERN approved as submitted

7/1/02
root
Beltway

Funding Request Number: 822578
Funding Status: Funded
Services Ordered: Telecommunications Service
SPIN: 143003835
Contract Number: N/A
Billing Account Number: N/A
Service Provider Name: TCI Network Solutions dba AT&T B
Earliest Possible Effective Date of Discount: 07/01/2002
Contract Expiration Date: 06/30/2007
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$1,273,000.00
Pre-Discount Amount: \$1,273,000.00
Discount Percentage Approved by the SLD: 79%
Funding Commitment Decision: \$1,005,670.00 - ERN approved as submitted

WOW
Approved

Funding Request Number: 823833
Funding Status: Funded
Services Ordered: Telecommunications Service
SPIN: 143003835
Contract Number: N/A
Billing Account Number: N/A
Service Provider Name: TCI Network Solutions dba AT&T B
Earliest Possible Effective Date of Discount: 07/01/2002
Contract Expiration Date: 06/30/2004
Annual Pre-discount Amount for Eligible Recurring Charges: \$48,300.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-Discount Amount: \$48,300.00
Discount Percentage Approved by the SLD: 70%
Funding Commitment Decision: \$33,810.00 - ERN approved as submitted

Intend
Summer
7/1/02

Funding Request Number: 824626
Funding Status: Funded
Services Ordered: Telecommunications Service
SPIN: 143003835
Contract Number: N/A
Billing Account Number: N/A
Service Provider Name: TCI Network Solutions dba AT&T B
Earliest Possible Effective Date of Discount: 07/01/2002
Contract Expiration Date: 06/30/2004
Annual Pre-discount Amount for Eligible Recurring Charges: \$165,600.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-Discount Amount: \$165,600.00
Discount Percentage Approved by the SLD: 83%
Funding Commitment Decision: \$137,448.00 - ERN approved as submitted

Intend
Summer
7/1/02

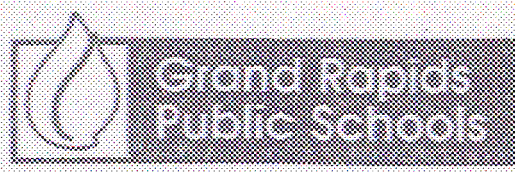
Phil
EXHIBIT
J
4/25/01

GRAND RAPIDS PUBLIC SCHOOLS
Grand Rapids, Michigan

AGENDA

of

BOARD OF EDUCATION MEETING



Monday, July 15, 2002
6:30 p.m.
Board Chambers
1331 Franklin, SE

PETITIONS AND COMMUNICATIONS

We have received a communication from Linda Patterson, Executive Director of the Dyer-Ives Foundation regarding opening West Leonard Elementary to community/family activities throughout the year.

Received and filed.

All communications to the Board will receive a response.

CONSENT AGENDA

President Rinck stated that the following items are being presented for the acceptance/approval of the Board:

1. Board Meeting Minutes:
 - a. July 1 Special Board Meeting/Worksession/Retreat
 - b. July 1 Board Meeting
2. Business Items:
 - a. Purchases

Motion by Mr. Allen, supported by Mr. Pena, that the Consent Agenda items be approved/accepted.

Carried: Yeas: Capriglione, Craig, Pena, Steinport, Allen, President Rinck - 6.

Nays: 0.

BUSINESS ITEMS

Purchases

The following purchases were approved under the Consent Agenda:
(Insert purchases.)

ACTION ITEMS

Donation

The Board has received a donation proposal from Professor O. Andrew Collver and Mitsuko Collver for \$10,000 to cover the cost of adding drinking fountains to the music and dance wing at the new Coit Arts & Sciences Academy. The gift would be in memory of their daughter Nita Kimi Collver.

At the July 1 Board meeting, President Rinck stated that the Board approved sending a thank you to Mr. & Mrs. Collver for their donation. He asked for formal acceptance of the donation.

Motion by Mr. Allen, supported by Mr. Steinport, that the donation from Mr. & Mrs. Collver for the drinking fountains at Coit be accepted.

Carried: Yeas: Capriglione, Craig, Pena, Steinport, Allen, President Rinck - 6.

Nays: 0.

**PROCEEDINGS
OF
THE BOARD OF EDUCATION
OF THE
GRAND RAPIDS PUBLIC SCHOOLS
GRAND RAPIDS, MICHIGAN**

OFFICIAL

REGULAR MEETING, BOARD CHAMBERS, 1331 FRANKLIN, SE

MONDAY, JULY 15, 2002

Meeting called to order at 6:30 p.m., President Rinck in the chair.

Present: Capriglione, Craig, Pena, Steinport, Allen, President Rinck - 6.

Absent: Dean, McGlynn, Bulkowski - 3.

PLEDGE OF ALLEGIANCE

President Rinck led the Board and audience in reciting the Pledge of Allegiance.

APPROVAL OF AGENDA

President Rinck asked if there were any corrections or additions to the agenda. There being none, the agenda is approved as written.

Carried.

C. Stock Inventory

None at this time

II. Other (Special Funds)

A. Instructional Supplies, Equipment, and Services

Purchase of 31 computer systems for Shawmut Hills Elementary at a total cost of \$45,000.00 (Funded: PTA - \$38,000.00; General Fund - \$7,000.00)

VENDORS: 1 Apple Computer

B. Support Materials

1. Installation of upgrade to district-wide Internet Service (7.5 Mb/s), including annual service charges, for the Management Information Systems Department at a total cost of \$75,686.00 (Funded: USF - \$59,792.00; General Fund - \$15,894.00)

VENDORS: 1 Merit

2. Annual costs for district-wide local telephone service for the Management Information Systems Department at a total cost of \$746,976.00 (Funded: USF - \$590,111.00; General Fund - \$156,865.00)

VENDORS: 2 Ameritech, Choice One

3. Annual costs for district-wide long distance telephone service for the Management Information Systems Department at a total cost of \$60,000.00 (Funded: USF - \$47,400.00; General Fund - \$12,600.00)

VENDORS: 1 Quest Communications

4. Upgrade of Wide Area Network capacity and speed at 68 sites for the Management Information Systems Department at a total cost of \$1,273,000.00 (Funded: USF - \$1,005,670.00; General Fund/Durant - \$267,330.00)

VENDORS: 1 AT & T Broadband

5. Contract to move fiber from 7 locations where it is no longer required to 7 other district locations for additional performance and reliability for the Management Information Systems Department at a total cost of \$259,875.00 (Funded: USF - \$205,301.25; General Fund/Durant - \$54,573.75)

VENDORS: 1 AT & T Broadband